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## Controller Chiang Warns State Agencies to Prepare for Possible IOUs

**SACRAMENTO** – State Controller John Chiang today sent the following [letter](#) to State agencies alerting them that without budget solutions from the Governor and Legislature, his office will have no choice but to pursue payment deferrals or the issuance of registered warrants also known as IOUs – as early as February 1. To ensure the State can meet its obligations to schools and repay external loans, IOUs may have to be issued in lieu of salaries and per diem payments to 1,700 legislators, state elected officers, judges, and their appointed staff, as well as tax refunds owed to individuals and businesses. The letter notifies agencies of processing requirements for IOUs, including the removal of some payees from the Direct Deposit system.